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Attorneys for Defendant
Tesla Motors, Inc.

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA

LEBRONZE ALLOYS SAS, a France société
par actions simplifiée,

Plaintiff,

vs.

TESLA MOTORS, INC., a Delaware
corporation,

Defendant.

Case No. 3:19-cv-02918

**UPDATED JOINT INITIAL CASE
MANAGEMENT CONFERENCE
STATEMENT**

Date: November 6, 2019
Time: 1:30 p.m.
Before the Honorable
Magistrate-Judge Donna M. Ryu

UPDATED JOINT INITIAL CASE MANAGEMENT STATEMENT

Plaintiff lebronze alloys SAS (“LBA”) and Defendant Tesla Motors, Inc. respectfully submit this Updated Joint Initial Case Management Statement in connection with the Initial Case Management Conference scheduled for November 6, 2019 at 1:30 p.m. The Initial Case Management Conference was originally scheduled for October 16, 2019. The Court vacated that date and continued the Initial Case Management Conference to November 6, 2019. The parties have been engaged in settlement negotiations and on October 27, 2019 and October 29, 2019 made their most recent respective settlement offers. The parties remain hopeful that the case can be settled without intervention by the Court but respectfully submit this Updated Initial Case Management Conference Statement to advise the Court.

1. Jurisdiction and Service: Jurisdiction is proper in this Court based on diversity of citizenship, 28 U.S.C. § 1332. Complete diversity between the parties exists, as LBA is a citizen of France, while Tesla is a Delaware corporation with its principal place of business in California. The amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs.

The Complaint has been served on Tesla.

2. Facts: LBA and Tesla entered into an agreement by which LBA supplies a part known as an Endring to Tesla, for use in the electric motors in Tesla vehicles. In 2018, LBA and Tesla were engaged in a dispute over Tesla’s failure to pay an amount for Endrings which Tesla ordered and received from LBA. To avoid a lawsuit, Tesla sought from LBA an Amended and Restated Production Pricing Agreement, which the parties signed. LBA alleges that Tesla did not fulfill its obligations under the Amended and Restated Production Pricing Agreement or the General Terms and Conditions. Furthermore, LBA claims that Tesla improperly terminated the Amended and Restated Production Pricing Agreement, in violation of its terms. The Complaint alleges claims for breach of contract, breach of the covenant of good faith and fair dealing, and fraud and deceit. Tesla denies liability to LBA

3. Legal Issues: Whether Tesla breached the agreements between the parties; whether Tesla breached the express or implied covenant of good faith and fair dealing; and

1 whether Tesla fraudulently induced LBA to enter into the Amended and Restated Production
2 Pricing Agreement.

3 4. Motions: LBA's motion to place the Complaint under seal was granted. There are
4 no pending motions. The parties are engaged in active ongoing settlement discussions. Tesla has
5 indicated that if the matter is not settled, it may file a motion to dismiss the Complaint. Tesla's
6 deadline to respond to the Complaint is November 7, 2019. Both parties may file motions for
7 summary judgment/partial summary judgment and motions *in limine*.

8 5. Amendment of Pleadings: No amendments to the pleadings are requested at this
9 time, whether to add parties or claims. The deadline to amend pleadings should be set after ruling
10 on Tesla's motion to dismiss the Complaint, if Tesla files such a motion.

11 6. Evidence Preservation: The parties have reviewed the Guidelines Relating to the
12 Discovery of Electronically Stored Information and confirm that reasonable and proportionate
13 steps have been taken and will be taken to preserve evidence relevant to the issues reasonably
14 evident in this action.

15 7. Disclosures: The parties are engaged in active ongoing settlement
16 discussions. Tesla made its most recent settlement offer on October 27, 2019 and LBA made its
17 most recent settlement offer on October 29, 2019. To facilitate those settlement discussions, the
18 parties have stipulated to an extension of time for Tesla to respond to the Complaint, and the
19 parties have refrained from initiating discovery. To allow the settlement discussions to reach a
20 conclusion, while avoiding unnecessary fees and expenses, the parties respectfully propose a
21 deadline for initial disclosures of December 14, 2019.

22 8. Discovery: The parties are actively engaged in ongoing settlement discussions.
23 Tesla made its most recent settlement offer on October 27, 2019 and LBA made its most recent
24 settlement offer on October 29, 2019. To facilitate those discussions, the parties have refrained
25 from initiating discovery. If the case does not settle, the parties will propound requests for the
26 production of documents, interrogatories, requests for admissions, and will take depositions. No
27 special limitations or modifications of the discovery rules are requested at this time.
28

9. Class Actions: This is not a class action.

10. Related Cases: There are no related cases.

11. Relief: LBA seeks money damages in an amount according to proof; punitive damages; interest, attorneys' fees, and costs; and such other and further relief as the Court may deem just and proper. Tesla denies that LBA is entitled to the relief sought, or any relief.

LBA contends that its damages are comprised of the following: damages for breach of the Amended and Restated Production Pricing Agreement; damages for reduced price; transition and redeployment costs; and legal expenses; in the total approximate amount of Euros 3,100,266, plus punitive damages. Tesla denies that LBA is entitled to any damages.

12. Settlement and ADR: The parties are engaged in active ongoing settlement discussions. Tesla made its most recent settlement offer on October 27, 2019 and LBA made its most recent settlement offer on October 29, 2019. It is hoped that the parties can reach a settlement without requiring intervention by the Court. If that effort does not lead to a settlement, the parties are likely to propose a settlement conference or mediation as the ADR plan for this case. The parties have complied with ADR L.R. 3-5.

13. Consent to the Magistrate Judge for all Purposes: The parties have consented to Magistrate-Judge Ryu conducting all further proceedings, including trial and entry of judgment.

14. Other References: The case is not suitable for reference to binding arbitration, a special master, or the Judicial Panel on Multidistrict Litigation.

15. Narrowing of Issues: It may be possible to narrow the issues through a motion to dismiss or motions for summary judgment/partial summary judgment.

16. Expedited Trial Procedures: The parties do not believe that this case is appropriate for handling under the Expedited Trial Procedure of General Order No. 64 Attachment A.

17. Scheduling: The parties are engaged in active ongoing settlement discussions. The parties therefore respectfully ask the Court not to set deadlines at this time for designation of experts, discovery cutoff, hearing of dispositive motions, pretrial or trial, but instead schedule a further Case Management Conference. If the Court prefers to set deadlines at this time, the parties suggest that the trial be set in approximately twelve months, with the deadlines for

1 discovery cutoff, hearing of dispositive motions, designation of experts, and pretrial set
2 accordingly.

3 18. Trial: LBA has demanded a jury trial. Tesla intends to demand a jury trial at the
4 appropriate time.

5 19. Disclosure of Non-Party Interested Entities or Parties: LBA is not aware of any
6 entities or parties to disclose in addition to the parties themselves.

7 20. Professional Conduct: All attorneys of record for the parties have reviewed the
8 Guidelines for Professional Conduct for the Northern District of California.

9 21. Other Matters: None at this time.

10 Dated: October 30, 2019.

Respectfully Submitted,

11 DAVIS WRIGHT TREMAINE LLP

12 By: /s/ Martin L. Fineman
13 Martin L. Fineman

14 Attorneys for Plaintiff
15 lebronze alloys SAS

16 Dated: October 30, 2019.

GLUCK DANIEL LLP

17
18 By: /s/ Craig Daniel
19 Craig Daniel

20 Attorneys for Defendant
21 Tesla Motors, Inc.

22 I certify that all counsel have approved the electronic filing of this document.

23 /s/ Martin L. Fineman
24 Martin L. Fineman

CERTIFICATE OF SERVICE

Lebronze Alloys SAS v. Tesla Motors

Northern District of California Court Case No. 3:19-cv-02918

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of San Francisco, State of California. My business address is Davis Wright Tremaine LLP, 505 Montgomery Street, Suite 800, San Francisco, CA 94111.

On October 30, 2019, I served true copies of the following document(s) on the interested parties in this action as follows:

UPDATED JOINT INITIAL CASE MANAGEMENT STATEMENT

- ✓ By E-MAIL OR ELECTRONIC TRANSMISSION: Pursuant to the agreement of the parties, I caused a copy of the document(s) to be sent from e-mail address valeriefoo@dw.com to the persons at the e-mail address listed in the Service List noted below. I did not receive, within reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

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Attorneys for Defendant
Tesla Motors, Inc.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this was executed on the date above at San Francisco, California.

/s/ Valerie Foo
Valerie Foo